

MINUTES

**MONTANA SENATE
58th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON ENERGY AND TELECOMMUNICATIONS

Call to Order: By **CHAIRMAN ROYAL JOHNSON**, on January 23, 2003 at 3:15 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Royal Johnson, Chairman (R)
Sen. Bea McCarthy (D)
Sen. Gary L. Perry (R)
Sen. Don Ryan (D)
Sen. Emily Stonington (D)
Sen. Bob Story Jr. (R)
Sen. Mike Taylor (R)
Sen. Ken Toole (D)

Members Excused: Sen. Corey Stapleton, Vice Chairman (R)
Sen. Walter McNutt (R)

Members Absent: None.

Staff Present: Marion Mood, Committee Secretary
Todd Everts, Legislative Services Division

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 219, 1/17/2003;
SB 173, 1/16/2003
Executive Action: none

HEARING ON SB 219

Sponsor: SEN. KEN TOOLE, SD 27, HELENA

Proponents: Patrick Judge, MEIC
Debbie Smith, NRDC/RNP

Opponents: **Gary Wiens, MECA**
 Jasen Bronec, MECA

Opening Statement by Sponsor:

SEN. KEN TOOLE, SD 27, HELENA, opened by saying the purpose of SB 219 was to bring uniformity to the net metering laws by voiding the 10 kilowatt exemption for cooperatives and bringing them up to the same standard as NorthWestern Energy's at a generating capacity of 50 kilowatt.

Proponents' Testimony:

Patrick Judge, MEIC, rose in support of SB 219 and handed out **EXHIBIT(ens14a01)**, a summary of net metering policies which shows only ten out of 36 states exclude rural electric cooperatives. He believed extending the net metering mandate was a workable proposition despite the impending protest of co-op representatives. He asked the committee's indulgence in letting him read from two supportive letters he had received, **EXHIBIT(ens14a02)** and **EXHIBIT(ens14a03)**. He commended those cooperatives who had taken a leading role in moving toward a net metering system and lauded SB 219 for mandating that all cooperatives join in this program.

Debbie Smith, NRDC/RNP, felt that the net metering policies should benefit all of Montana's citizens, and thus it was necessary to make the law applicable to all utilities. She distributed written testimony from the Sierra Club, Montana Chapter, **EXHIBIT(ens14a04)**.

Opponents' Testimony:

Gary Wiens, MECA, submitted written testimony, **EXHIBIT(ens14a05)** and a booklet mentioned therein, **EXHIBIT(ens14a06)**.

Jasen Bronec, MECA, also submitted written testimony, **EXHIBIT(ens14a07)**.

Informational Testimony:

John Alke, MDU, stated SB 219 had no substantive impact on MDU. He was concerned, however, that in Section 1 the bill amended MDU's exemption to the electric utility restructuring law for which the organization had fought very hard in 1997 and which was made permanent by the 2001 Legislature.

Closing by Sponsor:

In his closing remarks, **SEN. TOOLE** touched on the issue of subsidies mentioned in previous, written testimony and said that a customer at the end of the line received some level of subsidy over someone closer to the substation. He felt net metering was important because Montana stood at the threshold of increased wind power development, and he wanted to encourage distributed generation systems. He added that everyone he had talked to was aware of the 10 kilowatt limit and that it prevented some people from installing a larger system.

HEARING ON SB 173

Sponsor: SEN. WALT McNUTT, SD 50, SIDNEY

Proponents: Greg Jergeson, PSC
Mike Strand, MT Independent Telecom. Systems
Geoff Feiss, MT Telecom Association

{Tape: 1; Side: B}

Since **SEN. WALT McNUTT, SD 50, SIDNEY**, was excused and at another hearing and **Greg Jergeson** had a prior commitment, **CHAIRMAN ROYAL JOHNSON, SD 5, BILLINGS**, asked for proponents' testimony.

Proponents' Testimony:

Greg Jergeson, PSC, stated that the Public Service Commission unanimously endorsed SB 173 which authorizes the commission, in cooperation with the FCC, to designate telecommunications carriers as eligible for federal universal service support. This provision was inadvertently left out of statute, and this bill rectifies this issue and at the same time mirrors the federal statute. He referred any questions to attorney Monica Tremell from the PSC.

Mike Strand, MT Independent Telecommunications Systems, submitted written testimony along with a copy of Federal Law 104-104 and a map of suitable facilities, **EXHIBIT(ens14a08)**, as well as a letter from the Senior Vice President of the Blackfoot Telephone Cooperative, **EXHIBIT(ens14a09)**.

Geoff Feiss, MT Telecommunications Association, agreed with previous testimony and repeated that omitting the PSC was simply an oversight.

Questions from Committee Members and Responses:

CHAIRMAN JOHNSON wondered whether the sponsor, **SEN. McNUTT**, brought this bill in concert with the PSC.

Closing by Sponsor:

SEN. KEN TOOLE, SD 27, HELENA, closed for **SEN. McNUTT**.

Note: **Patrick Judge, MEIC**, submitted **EXHIBIT (ens14a10)** to the secretary on January 28, 2003.

ADJOURNMENT

Adjournment: 3:50 P.M.

SEN. ROYAL JOHNSON, Chairman

MARION MOOD, Secretary

RJ/MM

EXHIBIT (ens14aad)